

CITY OF ELMA
Grays Harbor County, Washington
January 1, 1991 Through December 31, 1992

Schedule Of Findings

1. The City Should Comply With Bid Laws

During our audit, we noted that the City of Elma purchased a backhoe on April 18, 1991, for a total cost of \$39,191, without following the required bid procedures. On September 17, 1990, the City of Elma approved Resolution No. 238 declaring that an emergency existed because "a piece of equipment used to install and repair sewer and water lines was barely functional and could become dysfunctional at any time." Although the city enacted the provisions of RCW 35.33.081 and 35.33.091, which waive budget hearing and bidding requirements for expenditures under certain emergency conditions, our review indicated that the conditions cited did not constitute an emergency as defined by RCWs.

Bid requirements can be waived in cases of emergency, either by vote of the city legislative body or by ordinance. There are two types of emergencies outlined in the RCWs:

- a. RCW 35.33.081 discusses nondebtable emergencies, which cover natural disasters, or acts of violence, such as riots or wars.
- b. RCW 35.33.091 discusses other emergencies, which could not reasonably have been foreseen at the time of filing the preliminary budget. This does not mean incidents which arise because of lack of proper planning.

City officials stated even though bid laws are waived in emergency situations, it was their intent to minimize replacement costs and alternatively utilized bid results of another municipality for the identical piece of equipment. Although this practice is allowed by statute, a prerequisite is that the municipalities enter into a formal inter-local agreement prior to the bidding process. Our review disclosed that the city did not have the required inter-local agreement.

Without calling for competitive bids, the city cannot be assured that it received the best possible price. Without entering the required inter-local agreements, the city does not fully establish the purposes, powers, rights, objectives and responsibilities of the contracting parties as required by RCW 39.34.080.

We recommend the city comply with bid requirements of RCW 35.33.081 and 35.33.091.

2. Internal Controls Over The Disposition Of Property In The Police Department Should Be Improved

Procedures reviewed for the disposition of evidence room property disclosed the following internal control weaknesses:

- a. Authorization for property destruction was not adequately supported and/or evidenced.
- b. Destruction of property was not witnessed by the appropriate level of authority nor attested to by witnesses.
- c. Owners were not consistently required to acknowledge the receipt of their returned property.

The Washington Association of Sheriffs & Police Chiefs (WASPC) Manual - *WASPC Accreditation Program*, 2nd Edition, by Dr. Robert Landon, Section 35 -- COLLECTION AND PRESERVATION OF EVIDENCE emphasizes the need for controlling items placed under the supervision of the police department. Section 35.1 requires the agency to have written procedures for collection, identification, preservation, and transmittal of evidentiary items. At 35.2, the WASPC manual further requires the agency to establish a system for the secure and proper recording, storage, classification, retrieval, and disposition of all evidentiary, recovered, and found property under the protective custody of the agency.

The internal control weaknesses are attributable to the lack of written policies and procedures and inconsistently applied practices.

Without proper internal controls, the police department cannot adequately safeguard evidence room property and ensure adherence to procedures over its disposition.

We recommend that the city develop written policies and procedures governing the disposition of evidence room property and that they be consistently followed.